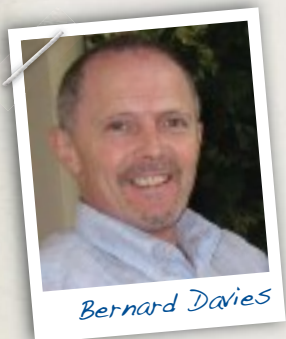


Critical times



As Saab delays its production restart due to a shortage of parts, **Bernard Davies**, Director at Fleet Force Ltd, provides his viewpoint on the brand's trials and tribulations.

I HAVE been following the sorry Saab saga with interest.

For many years I worked closely with a number of Swedish people and I always found them friendly, courteous and hospitable – and their English is excellent! As a fairly typical Brit (of my generation) my command of foreign languages tends to revolve around restaurants and bars! But I'm quite happy to confess that I'm a bit of a Swe-dophile at heart; I like their reindeer and herring (both for eating) and their fabulous west coastline, but I am less enamoured with the cost of a beer or a glass of wine...

So at the end of last year, when the opportunity to work on a project with Saab in Trollhättan came up I was delighted to accept and the difference from what I saw there at that time and their current predicament saddens me.

The dramatic last-minute rescue by Spyker in February 2010 was only the start of the hard work for many people. If you read last month's column you'll recall how the involvement of suppliers (well over 3,000 is quite normal) is crucial to the assembly of the modern vehicle. Therefore, to re-start

the component supply chain and the production line and deliver cars to dealers in a matter of weeks is quite remarkable and testament to the passion, dedication and real belief of the staff, all of which I witnessed in abundance when I was there. It's perhaps more of a "heart" brand than a "head" brand with lots of emotion interplaying with the heritage, but that's precisely what makes Saab different.

Yes, there are many motor industry and financial experts who will be quick to point out that the absence of economies of scale make it harder (if not impossible) to survive in the modern world where mass production, globalisation and the relentless drive for cost efficiencies appear to be today's guiding mantras.

But surely there's still room for choice? If industry entrepreneurs and loyal staff hadn't taken a chance at some point in the past, we'd still be driving Uncle Henry's black "Model T"!

Yes, some may consider the cars to be a bit niche but check out blogs and forums on the internet – Saab has many fiercely loyal followers around the world – but maybe they're not buying as many cars as they should...

So, unlike some of the Detroit manufacturers (and here's the irony for you - one of these manufacturers was, through underinvestment and brand mismanagement, largely responsible for Saab's predicament...) who benefited from the Bush and Obama billions - and when you consider the huge impact an industry failure would have had on millions of Americans you can understand the rationale - Saab has been "going it alone", with strict EU legislation preventing the Swedish government from becoming overtly involved in funding solutions, forcing them to seek help from other investors.

At just about 50,000 inhabitants, Trollhättan is a fraction of the size of Detroit. But size is relative and, arguably, the closure of a major employer in a small town has a greater impact than where there is a wider employment base; however, I do acknowledge that the failures of GM and Chrysler would probably have caused supplier meltdown in the USA, likely leading to the collapse of the entire indigenous motor industry (including Ford).

So this Swedish town has already lived through one shut-down and there can hardly be a family that would not be affected if the Saab factory closed again. And, of course, the repercussions go much further, affecting not just component suppliers, but also the wide range of hotels, restaurants, taxis and other service providers that benefit from the presences of a global brand operating in their midst. We all know that ultimately a company failure on this scale in a small community is likely to cost the Swedish people far more in benefits payments than finding a few kronor to help out now...

That's why this is so sad. With so many committed, passionate and resourceful employees and an undoubted loyal following they deserve to succeed.



Saab 9-3